Implementation of the Weapon Systems Acquisition Reform Act of 2009 & New Changes to Policy

ford M. Brown
ning Capabilities Integration Center
ctor for Acquisition and Program Management
2010

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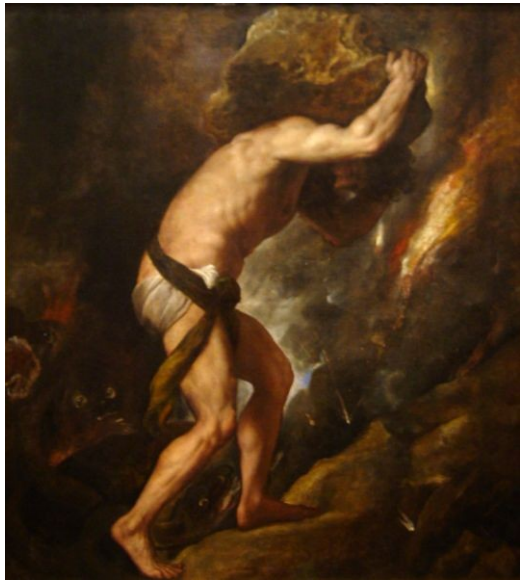
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Beyond Goldwater-Nichols

Reforming Defense Acquisition for the 21st Century

The sheer complexity of the capability requirements, acquisition and resource allocation processes used to equip the U.S. military seemingly condemns the Defense Department to the perpetual task of acquisition reform. Ideally, acquisition is synchronized with requirements generation and resource allocation; organizations are aligned with policy; and the entire system responds adaptively to a changing security environment.

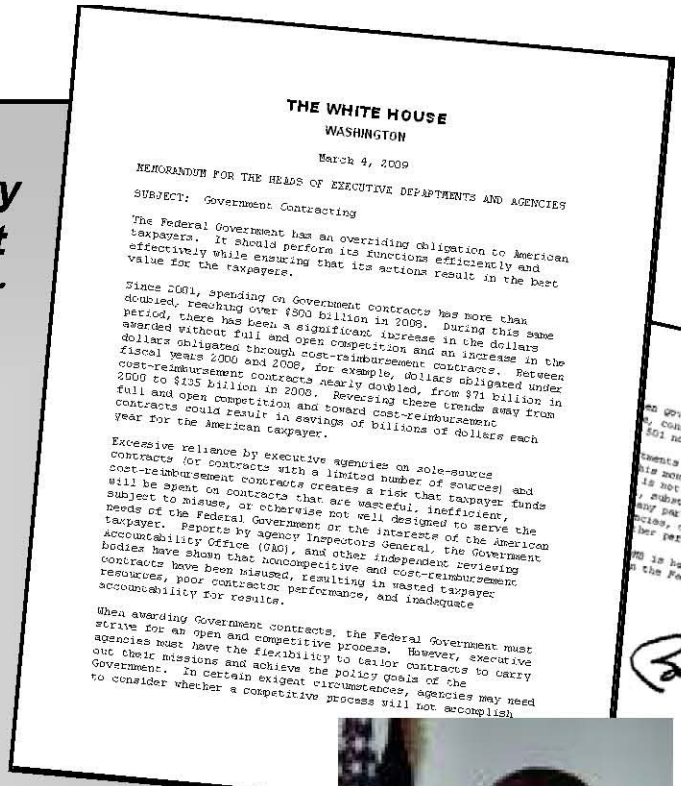


In reality, the uneven pace of reform between the major processes, the fact that policies change faster than organizations, and a changing external landscape all generate friction and lead to an acquisition process that is too slow, not responsive enough to joint needs, too expensive and too complex. Even if the policies, organizations, personnel, and cultures could be perfectly optimized to today's security environment, the reward would likely be a change in the external landscape requiring yet another round of reform. If Sisyphus had a job in the Pentagon, it would be acquisition

Presidential Direction

". . . it is essential that the Federal Government have the capacity to carry out robust and thorough management and oversight of its contracts in order to achieve programmatic goals, avoid significant overcharges, and curb wasteful spending. A GAO study last year of 95 major defense acquisitions projects found cost overruns of 26 percent, totaling $295 billion over the life of the projects. Improved contract oversight could reduce such sums significantly.

". . . the Federal Government shall ensure that taxpayer dollars are not spent on contracts that are wasteful, inefficient, subject to misuse, or otherwise not well designed to serve the Federal Government's needs and to manage the risk associated with the goods and services being procured. . . .



THE WHITE HOUSE
WASHINGTON

March 4, 2009

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Government Contracting

The Federal Government has an overriding obligation to American taxpayers. It should perform its functions efficiently and effectively while ensuring that its actions result in the best value for the taxpayers.

Since 2001, spending on Government contracts has more than doubled, reaching over $500 billion in 2008. During this same period, there has been a significant increase in the dollars awarded without full and open competition and an increase in the dollars obligated through cost-reimbursement contracts. Between fiscal years 2000 and 2008, for example, dollars obligated under cost-reimbursement contracts nearly doubled, from $71 billion in 2000 to $135 billion in 2008. Reversing these trends away from full and open competition and toward cost-reimbursement contracts could result in savings of billions of dollars each year for the American taxpayer.

Excessive reliance by executive agencies on sole-source contracts (or contracts with a limited number of sources) and cost-reimbursement contracts creates a risk that taxpayer funds will be spent on contracts that are wasteful, inefficient, subject to misuse, or otherwise not well designed to serve the needs of the Federal Government or the interests of the American taxpayer. Reports by agency Inspectors General, the Government Accountability Office (GAO), and other independent reviewing bodies have shown that noncompetitive and cost-reimbursement contracts have been misused, resulting in wasted taxpayer resources, poor contractor performance, and inadequate accountability for results.

When awarding Government contracts, the Federal Government must strive for an open and competitive process. However, executive agencies must have the flexibility to tailor contracts to carry out their missions and achieve the policy goals of the Government. In certain exigent circumstances, agencies may need to consider whether a competitive process will not accomplish

governmental outsourcing for services is and is consistent with section 321 of Public Law 110-
301 note).¶

ments and agencies shall carry out the
this memorandum to the extent permitted by law.
is not intended to, and does not, create any
, substantive or procedural, enforceable at law
any party against the United States, its
encies, or entities, its officers, employees, or
ther person.¶

is hereby authorized and directed to publish
the Federal Register.



Secretary of Defense Direction

Chief among institutional challenges facing the Department is acquisition."

"First, this department must consistently demonstrate the commitment and leadership to stop programs that significantly exceed their budget or which spend limited tax dollars to buy more capability than the nation needs…

Second, we must ensure that requirements are reasonable and technology is adequately mature to allow the department to successfully execute the programs…

Third, realistically estimate program costs, provide budget stability for the programs we initiate, adequately staff the government acquisition team, and provide disciplined and constant oversight.

We must constantly guard against so-called "requirements creep," validate the maturity of technology at milestones, fund programs to independent cost estimates, and demand stricter contract terms and conditions."

Secretary of Defense Robert M. Gates



Weapons Systems Acquisition Reform A





"The key to successful acquisition programs is getting things right from the start with sound systems engineering, cost estimating, and developmental testing early in the program cycle. The bill that we are introducing today will require the
Department of Defense to take the steps needed to
put major defense acquisition programs on a sound
footing from the outset. If these changes are successfully implemented, they should help our acquisition programs avoid future cost overruns, schedule delays, and performance problems."
–Senator Carl Levin, Chairman, Senate Armed Services Committee

"The Weapon System Acquisition Reform Act of 2009 is an important step in efforts to reform the defense acquisition process. This legislation is needed to focus acquisition and procurement on emphasizing systems engineering; more effective upfront planning and management of technology risk; and growing the acquisition workforce to meet
program objectives."
–Senator John McCain, Ranking Member, Senate Armed Services Committee

Implementation of the Weapon Systems Acquisition Reform Act (WSARA) of 2009

WSARA:

- Signed by President May 22, 2009 (Public Law 111-23)
- Established requirements that directly impact operation of the Defense Acquisition System and duties of key officials
- Directive-Type Memorandum (DTM) 09-027, 4 Dec 2009, implements WSARA
- DTM amends Acquisition Policy in DoDI 5000.02 the Defense Acquisition Guidebook and the Defense Federal Acquisition Regulation Supplement (DFARS)
- The DTM is effective immediately and will be incorporated into the above within 180 days.

WSARA DTM is available at http:www.ditic.mil/whs/directives

Implementation of WSARA Changes to Policy and Procedure

1. Analysis of Alternatives Study Guidance
2. Acquisition Strategies to Ensure Competition
3. Competition and Considerations for the Operation and Sustainment (O & S) of Major Weapon Systems
4. Competitive Prototyping
5. Cost Estimation
6. Developmental Test and Evaluation (DT&E)
7. Systems Engineering
8. Performance Assessments and Root Cause Analysis (PARCA)
9. Assessment of MDAP Technologies
10. Preliminary Design Reviews (PDR)
11. Certification IAW 10 USC 2366a and 2366b
12. Critical Cost Growth
13. Revised MDAP Definition

Most apply to MDAPs (ACAT I); some apply to MAIS (ACAT IA); some apply only to MDAPs/MAIS for which USD(AT&L) is MDA (ACAT ID/IAM); some apply to Major Weapon Systems (ACAT II); some apply to non-major programs

Implementation of WSARA AoA Study Guidance

- Director, Cost Analysis and Program Evaluation (DCAPE)
  - Leads development of AoA Study Guidance, for
  - Joint requirements for which JROC is validation authority
- Milestone Decision Authority (MDA) directs initiation of the AoA in Materiel Development Decision (MDD) Acquisition Decision Memorandum (ADM)
- AoA Study Guidance is attachment to the ADM

- DCAPE consolidates the responsibilities of Dir, Program Analysis & Evaluation (Dir, PA&E) and Chairman, Cost Analysis Improvement Group (CAIG)
- JROC Validates "JROC Interest" requirements - applies to all potential and designated ACAT I/IA programs and capabilities that have a potentially significant impact on interoperability in allied and coalition operations.
- *Policy Impact: MDA no longer approves AoA Study Guidance*

Implementation of WSARA Acquisition Strategies to Ensure Competition

- Acquisition strategy for MDAPs must describe measures to ensure competition, or option of competition, at both prime and subcontract level throughout life-cycle
- Measures may include (if cost effective):
  - Competitive Prototyping
  - Dual-sourcing
  - Unbundling of contracts
  - Funding of next-generation prototypes or subsystems
  - Modular, open-architectures
  - Built-to-print approaches
  - Acquisition of complete Technical Data Package (TDP)
  - Competition for subsystem upgrades
  - Licensing of additional suppliers
  - Program reviews to address competitive long-term effects of program decisions
- Strategy must document rationale for selection of subcontract tier or tiers, and indicate that primes must give consideration to sources other than the prime for development/ construction of major subsystems and components of major weapon systems

Policy Impact: More detailed discussion of competition in acquisition strategy; planning for competition must provide small business with maximum practical opportunity to participate

Implementation of WSARA Competition & Considerations for O&S

- Acquisition strategy for Major Weapon Systems must describe plan for identifying/selecting source of repair
- MDA will ensure that, to the maximum extent practicable, and consistent with statutes, maintenance and sustainment contracts are competitively awarded, and
- Full consideration for contract award to all sources, to include sources that partner or subcontract with public or private sector repair activities

Policy Impact: More detailed discussion of maintenance and sustainment strategy and contracting approach in the acquisition strategy for ACAT I and II programs.

Implementation of WSARA Competitive Prototyping

- Technology Development Strategy (TDS) for MDAPs shall provide for prototypes of the system or, if system prototype is not feasible, for prototypes of critical sub-systems before MS B approval
- MDA may waive if
  - Cost exceeds life-cycle benefits (constant year dollars), including benefits of improved performance and increased technological and design maturity
  - DoD would not be able to meet national security objectives without a waiver.
  - If waived, a prototype still must be produced before MS B approval if expected life cycle benefits exceed cost of the prototype, and production of prototype is consistent with national security objectives
- If MDA waives competitive prototyping for a MDAP congressional defense committees and Comptroller General must be notified NLT 30 days after the waiver

Policy Impact: Unless waived under conditions described, competitive prototyping now a statutory requirement for MDAPs

Implementation of WSARA Cost Estimation: Role of Director, CAPE

- Provides policies and procedures for conduct of all DoD cost estimates
- Reviews Component cost estimates/analysis conducted for MDAPs & MAIS
- Conducts ICE and cost analysis for MDAPs for which USD(AT&L) is MDA in advance of:
  - Certifications pursuant to 10 USC 2366a (MS A), 2366b (MS B), or 2433a (critical cost growth in MDAPs);
  - Any decision to enter LRIP or full rate production
  - As requested by USD(AT&L) or considered appropriate by DCAPE
- Conducts ICE and cost analysis for MAIS programs for which the USD(AT&L) is MDA in advance of:
  - Any report pursuant to 10 USC 2445c(f) (critical program changes)
  - As directed by DCAPE or requested by USD(AT&L)

Implementation of WSARA Cost Estimation: Role of DCAPE, continued..

- Receives results of all cost estimates/analysis and associated studies conducted by Components for MDAPS and MAIS; has access to all DoD data necessary to review cost analyses and execute DCAPE responsibilities
- Participates in discussions of discrepancies related to MDAP and MAIS cost estimates and comments on deficiencies related to methodology or execution of the estimates
- Concurs with choice of cost estimate used to support the APB and in support of MDAP and MAIS requirements
- Participates in decisions to request multi-year contract for a MDAP
- States, along with Component cost agencies, confidence level used in establishing cost estimates for MDAP & MAIS, and if less than 80%, why

Policy Impact: Adds requirement for ICE for MDAPs for which the USD(AT&L) is the MDA in advance of MS A Certification, Full Rate Production Decision, and in support of indicated certifications and reports. An ICE will be required for MAIS programs for which USD(AT&L) is the MDA only if there has been a Critical Change

Implementation of WSARA Dir, DT&E and Dir SE

- Role of Director, Developmental Test & Evaluation (DT&E)
  - Reviews and approves DT&E plan in the TES and TEMP for MDAPs and all programs on the OSD DT&E Oversight List
  - Monitors and reviews DT&E of MDAPs
  - Has access to all Component records and data necessary to carry out duties
- Role of Director, Systems Engineering
  - Reviews and approves the SEP for MDAPs
  - Has access to all Component records and data necessary to carry out duties

Policy Impact: Dir, DT&E (instead of USD(AT&L) reviews and approves DT portion of the TES and TEMP; Dir, SE (instead of DUSD(A&T)) reviews and approves SEPs for all MDAPs.

Implementation of WSARA Performance Assessment & Root Cause Analysis

Role of the senior official for PARCA:

- Conduct performance assessments for MDAPs periodically or when requested by SECDEF, USD(AT&L), Secretary of Military Dept, or head of Defense Agency
- Conduct root cause analysis for MDAPs as required by 10 USC 2433a, or when requested by SECDEF, USD(AT&L), Secretary of Military Dept, or head of Defense Agency
- Advise acquisition officials on MDAP performance issues:
  - Prior to certification under 10 USC 2433a (critical cost growth in MDAPs);
  - Prior to entry into full-rate production; and
  - Upon consideration of decision to request authorization for multi-year procurement contract

Policy Impact: Newly established position to perform required functions

Implementation of WSARA Performance Assessments

- Evaluate the cost, schedule, and performance of the program, relative to current metrics, performance requirements, and baseline parameters
- Determine the extent to which the level of program cost, schedule, and performance relative to established metrics is likely to result in the timely delivery of a level of capability to the warfighter that is consistent with the level of resources to be expended and to provide superior value to alternative approaches that may be available to meet the same requirement

Implementation of WSARA
Root Cause Analysis

Considers the underlying cause or causes for shortcomings in cost, schedule, and performance including the role, if any, of:

- Unrealistic performance expectations;
- Unrealistic baseline estimates for cost and schedule;
- Immature technologies or excessive manufacturing or integration risk;
- Unanticipated design, engineering, manufacturing, or integration issues arising during program performance;
- Changes in procurement quantities;
- Inadequate program funding or funding instability;
- Poor performance by government or contractor personnel responsible for program management;
- or any other matters.

Implementation of WSARA Assessment of MDAP Technologies

Director of Defense Research and Engineering (DDR&E) shall:

- Independently review, assess, and report on the technological maturity of MDAP technologies in support of MS B reviews, associated statutory certifications, and at other times designated by the USD (AT&L).
- Develop knowledge-based standards against which to measure the technological maturity and integration risk of critical technologies at key stages in the acquisition process for the purposes of conducting the required reviews and assessments of MDAPs.

Policy Impact: DDR&E to independently review, assess, and report the maturity of MDAP technologies prior to MS B Certification. Also, DDR&E will develop standards that will be used to measure and assess the maturity of critical technologies and integration risk in MDAPs.

Implementation of WSARA Preliminary Design Reviews (PDR)

- PDRs before MS B are mandatory for all MDAPs
  - Reflected in Technology Development Strategy (TDS) to be approved by the MDA at MS A.
  - Post-PDR assessments conducted in association with MS B preparations and will be considered by the MDA at MS B certification review.
- PDRs before MS B for other than MDAPs will be approved by the MDA when consistent with TDS or Acquisition Strategy objectives.
  - PDR conducted before MS B: a post-PDR assessment will be conducted in association with MS B review
  - PDR conducted after MS B: the MDA will conduct a post-PDR assessment at a time reflected in the approved Acquisition Strategy.

Policy Impact: PDR before MS B is statutory requirement for MDAPs. Post-PDR Assessment will be conducted during MS B review, and prior to 2366b certification.

Implementation of WSARA Program

Certifications IAW 10 USC 2366a and 2366b

- Requirements for MDA program certification at Milestone A (10 USC 2366a) and MS B (10 USC 2366b) were amended
- Ongoing MDAPs initiated prior to 22 May 2009 and will not have received a MS A certification or MS B certification prior to May 22, 2010, must receive a MS A certification NLT May 22, 2010
- Any MDAP that received a MS B approval prior to January 6, 2006, and has not yet received a MS C approval, the MDA, not later than February 16, 2010, must determine whether or not such programs satisfy all of the MS B certification requirements, as amended by WSARA. This determination will be documented in a “for the record” MS B certification memorandum

Policy Impact: The MS A and MS B Certification requirements have changed. Required statements for the ADM, and changes to the certification statements are highlighted on following charts.

Implementation of WSARA Program Certifications IAW 10 USC 2366a and 2366b

Following statements must be added to the ADM:

MS A: "I have reviewed the program and have made the certifications required by Section 2366a of Title 10, United States Code. At any time prior to Milestone B approval, the Program Manager shall notify me immediately if the projected cost of the program exceeds the cost estimate for the program at the time of Milestone A certification by at least 25 percent or the PM determines that the period of time required for the delivery of an initial operational capability is likely to exceed the schedule objective provided at the time of Milestone A certification by more that 25 percent."

MS B: "I have reviewed the program and the business case analysis and have made the certifications required, or executed a waiver of the applicability of one or more of the components of the certification requirement as authorized by Section 2366b of Title 10, United States Code. The Program Manager shall notify me immediately of any changes to the program that alter the substantive basis for the certification relating to any component of such certification, or otherwise cause the program to deviate significantly from the material provided to me in support of such certification."

Implementation of WSARA Program Certification for MS A (10 USC 2366a)

MEMORANDUM FOR THE RECORD

SUBJECT: Milestone A Program Certification

As required by Section 2366a of Title 10, United States Code, I have consulted with the Joint Requirements Oversight Council (JROC) on matters related to program requirements and military needs for the *(name of program)* and certify that:

(1) the program fulfills an approved initial capabilities document;

(2) the program is being executed by an entity with a relevant core competency as identified by the Secretary of Defense;

(3) *an analysis of alternatives has been performed consistent with the study guidance developed by the Director of Cost Assessment and Program Evaluation;*

(4) a cost estimate for the program has been submitted, *with the concurrence of the Director of Cost Assessment and Program Evaluation*, and the level of resources required to develop and procure the program is consistent with the priority level assigned by the JROC; and,

(5) [*include only if the system duplicates a capability already provided by an existing system*] the duplication of capability provided by this system is necessary and appropriate.

Changes highlighted in *bold blue italics*

Implementation of WSARA Program Certification for MS B (10 USC 2366b)

MEMORANDUM FOR THE RECORD

SUBJECT: Milestone B Program Certification

As required by Section 2366b of Title 10, United States Code,

(1) I have received a business case analysis for the (*name of program*) and certify on the basis of the analysis that:

(A) the program is affordable when considering the ability of the Department of Defense to accomplish the program's mission using alternative systems;

(B) *appropriate trade-offs among cost, schedule, and performance objectives have been made to ensure that* the program is affordable when considering the per unit cost and the total acquisition cost in the context of the total resources available during the period covered by the future-years defense program submitted during the fiscal year in which the certification is made;

(C) reasonable cost and schedule estimates have been developed to execute, *with the concurrence of the Director of Cost Assessment and Program Evaluation*, the product development and production plan under the program;

(D) funding is available to execute the product development and production plan under the program, through the period covered by the future-years defense program submitted during the fiscal year in which the certification is made, consistent with the estimates described in paragraph (C) for the program; and

(2) *I have received the results of the preliminary design review and conducted a formal post-preliminary design review assessment, and certify on the basis of such assessment that the program demonstrates a high likelihood of accomplishing its intended mission*; and

Changes highlighted in *bold blue italics*

Implementation of WSARA Program Certification for MS B (10 USC 2366b), continued..

(3) I further certify that:

(A) appropriate market research has been conducted prior to technology development to reduce duplication of existing technology and products;

(B) the Depart of Defense has completed an analysis of alternatives with respect to the program;

(C) the Joint Requirements Oversight Council has accomplished its duties with respect to the program pursuant to section 181(b) of Title 10, including an analysis of the operational requirements for the program;

(D) the technology in the program has been demonstrated in a relevant environment, *as determined by the Milestone Decision Authority on the basis of an independent review and assessment by the Director of Defense Research and Engineering; and*

(E) the program complies with all relevant policies, regulations, and directives of the Department of Defense.

Changes highlighted in *bold blue italics*

Implementation of WSARA Critical Cost Growth (1)

DTM contains policy implementing new 10 USC 2433a, Critical Cost Growth of MDAPs, that amends 10 USC 2433, Unit Cost Reports, and supersedes all previous USD(AT&L) policies addressing actions that must be taken following critical cost growth of a MDAP or designated subprogram

- PM shall notify the CAE immediately, whenever there is a reasonable cause to believe that the current estimate of either the program acquisition unit cost (PAUC) or average procurement unit cost (APUC) of a MDAP or designated subprogram (in base-year dollars) has increased by 25 percent (or more) over the PAUC or APUC objective of the currently approved APB estimate, or 50 percent (or more) over the PAUC or APUC of the original APB estimate.

- If the CAE determines that there is an increase in the current estimate of the PAUC or APUC of at least 25 percent over the PAUC or APUC objective of the currently approved APB, or 50 percent over the PAUC or APUC of the original APB, the CAE shall inform the USD(AT&L) and the Head of the DoD Component.

Implementation of WSARA Critical Cost Growth (2)

- If the Component Head subsequently determines that there is, in fact, an increase in the current estimate of the PAUC or APUC of at least 25 percent over the currently approved APB, or 50 percent over the PAUC or APUC of the original APB, the Head of the DoD Component shall notify Congress, in writing, of the determination of critical cost growth and the increase with respect to the program or subprogram concerned.
- The notification shall be not later than 45 days after the end of the quarter, in the case of a quarterly report; or not later than 45 days after the date of the report, in the case of an out-of-cycle report based on critical change occurring between quarters. In either case, notification shall include the date that the Head of the DoD Component made the determination.
- In addition, the Component Head shall submit an SAR for either the fiscal year quarter ending on or after the determination date, or for the fiscal year quarter that immediately precedes the fiscal year quarter ending on or after the determination date. This SAR shall contain the additional critical cost growth-related information.

Implementation of WSARA Critical Cost Growth (3)

- The USD(AT&L), after consultation with the JROC, shall determine the root cause or causes of the critical cost growth in accordance with applicable statutory requirements and DoD policies, procedures, and guidance based upon the root cause analysis conducted by the senior official for PARCA; and in consultation with the DCAPE, shall carry out an assessment of:

  a. The projected cost of completing the program if current requirements are not modified.

  b. The projected cost of completing the program based on reasonable

  modification of such requirements.

  c. The rough order of magnitude of the costs of any reasonable alternative system or capability.

  d. The need to reduce funding for other programs due to the growth in cost of the program.

Implementation of WSARA Critical Cost Growth (4)

- After conducting the reassessment, the USD(AT&L) shall terminate the program unless the USD(AT&L) submits a written certification to Congress before the end of the 60-day period beginning on the day the SAR containing the unit cost information is required to be submitted to Congress. The certification must state:

  a. The continuation of the program is essential to the national security.

  b. There are no alternatives to the program that will provide acceptable capability to meet the joint military requirement (as defined in section l8l(g)((1) of Title 10, U.S.C) at less cost.

  c. The new estimates of the PAVC or APUC have been determined by the DCAPE, to be reasonable.

  d. The program is a higher priority than programs whose funding must be reduced to accommodate the growth in cost of the program.

  e. The management structure for the program is adequate to manage and control PAUC or APUC.

Implementation of WSARA Critical Cost Growth (5)

- The written certification shall be accompanied by a report presenting the root cause analysis and assessment and basis for each determination made in accordance with the five certification criteria listed previously
- If the USD(AT&L) elects NOT to terminate a MDAP that has experienced critical cost growth, the Secretary of Defense shall:
  - a. Restructure the program in a manner that addresses the root cause or causes of the critical cost growth, and ensures that the program has an appropriate management structure as set forth in the written certification;
  - b. Rescind the most recent milestone approval for the program or designated subprograms and withdraw any associated certification(s) pursuant to section 2366a or 2366b.
  - c. Require a new milestone approval for the program or designated subprograms before taking any contract action to enter a new contract, exercise an option under an existing contract, or otherwise extend the scope of an existing contract under the program, except to the extent determined necessary by the MDA, on a non-delegable basis, to ensure that the program can be restructured as intended by the Secretary of Defense without unnecessarily wasting resources.
  - d. Include in the report a description of all funding changes made as a result of the growth in cost of the program, including reductions made in funding for other programs to accommodate such cost growth. (The report specified here is the first SAR for the program submitted after the President submits a budget in the calendar year following the year in which the program was restructured.)

Implementation of WSARA Critical Cost Growth (6)

- Additionally, for each MDAP that has exceeded the critical cost thresholds, but has not been terminated, the senior official for PARCA shall conduct semi-annual reviews until 1 year after the date a new milestone approval is received. The senior official for PARCA, shall report the results of the semi-annual reviews to the USD(AT&L) and summarize the results in the Director's next annual report.
- If a MDAP is terminated after experiencing a critical cost breach, the USD(AT&L) shall submit to Congress a written report with the following information:

  a. An explanation of the reasons for terminating the program.

  b. The alternatives considered to address any problems in the program.

  c. The course the Department of Defense plans to pursue to meet any continuing joint military requirements otherwise intended to be met by the program.

Implementation of WSARA

Revised MDAP Definition

A MDAP is a Department of Defense acquisition program that is not a highly sensitive classified program and:

a. that is designated by the USD (AT&L) as an MDAP; or

b. that is estimated to require an eventual total expenditure for research, development, test, and evaluation, *including all planned increments**, of more than $365M (based on fiscal year 2000 constant dollars) or an eventual total expenditure for procurement, *including all planned increments**, of more than $2.19B (based on fiscal year 2000 constant dollars).

*Change to definition highlighted in blue italics

Policy Impact: The revised definition may result in a change in MDA

Other WSARA Changes Not Directed by the DTM

- The organizational changes required by WSARA sections 101 and 102 were implemented in the following memos:
  1. DEPSECDEF Memorandum for Distribution, subject: Initial Implementation Guidance for the Office of the Director of Cost Assessment and Program Evaluation, 9 Jun 2009. Directed establishment of new Presidentially appointed, Senate confirmed position and transferred all functions of the Office of the Director of Program Analysis and Evaluation to the new office.
  2. USD(AT&L) Memorandum for OUSD(AT&L) Component Heads, subject: Organizational Changes, 23 Jun 2009. Implemented move of SE and DT&E from DUSD(A&T) to DDR&E.
  3. DDR&E Memorandum for Offices of the DDR&E, subject DDR&E Reorganization, 21 Aug 2009. Directed internal realignments for DDR&E.
- The role of the COCOM Commanders in identifying joint military requirements (section 105) was implemented in the 31 July 2009 version of the JCIDS Manual

PPBE Memorandum

Deputy Secretary of Defense Memorandum: Procedures and Schedule for Fiscal Year (FY) 2012-2016 Integrated Program Budget Review, April 9, 2010.

This is déjà vu pre-1986 Biannual Budget Legislation and will impact most of DAU classes, the "Wall Chart", the PM Tool Kit, etc.

- Back to an annual review with 5 year cycles.
- One year budgets every year; no two year budget (no on/off or odd/even)
- PBDs are now RMDs
- CDE and IPG combined into DPPG

Sec. 804 "FY 2010 NDAA - Implementation of New Acquisition Process for IT Systems

- **New IT Acquisition Process Required**
  - **SECDEF shall develop/implement a new IT Systems acquisition process**
  - **The acquisition process must be based on the recommendations in Chapter 6, March 2009 report of the Defense Science Board Task Force on DOD Policies and Procedures for the Acquisition of Information Technology; and be designed to include—**
    - **early and continual involvement of the user**
    - **multiple, rapidly executed increments or releases of capability**
    - **early, successive prototyping supporting an evolutionary approach &**
    - **a modular, open-systems approach**

IMPROVE Acquisition Act of 2010

House Armed Services Committee Chairman Ike Skelton(D-Mo.) and Ranking Member Howard P. "Buck" McKeon (R-Calif.) joined the Committee's Defense Acquisition Reform Panel Chairman Rob Andrews (D-N.J.) and Ranking Member Mike Conaway (R-Texas) to announce the introduction of H.R. 5013 (April 14th, 2010) http://armedservices.house.gov/pdfs/HR5013/HR5013.pdf, the IMPROVE Acquisition Act, bipartisan legislation to overhaul defense acquisition spending, potentially saving billions of taxpayer dollars and expediting the process to get the necessary equipment to our warfighters.

The legislation is based on the recommendations outlined in the final report http://armedservices.house.gov/pdfs/DARFINALREPORT/DARFINALREPORT032310.pdf of the Defense Acquisition Panel

*IMPROVE Acquisition Act of 2010

*Implementing Management for Performance and Related Reforms to Obtain Value in Every Acquisition Act of 2010 (IMPROVE)

Three Titles in the Legislation:

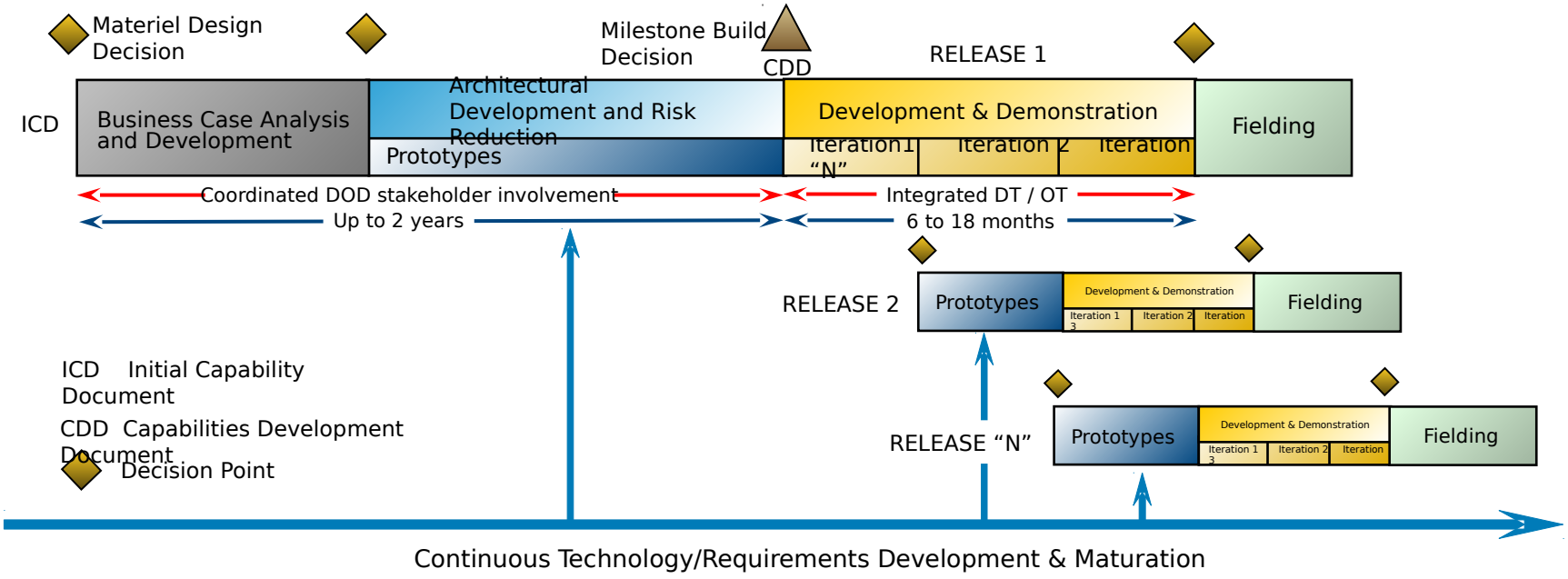
Title I – Defense Acquisition System

Title II - Defense Acquisition Workforce

Title III – Financial management

Title IV – Industrial Base

Proposed Information Technology Acquisition Life Cycle Model (DSB)



- ICD established by streamlined JCIDS process
- CDD and acquisition baseline for "N" releases established at milestone build decision
- All releases fully funded at milestone build decision
- Release "N+1" restarts entire process

Adapts an Evolutionary Approach to IT Acquisition

37

Proposed Space Model (NSS 03

Pre KDP-A
Concept Studies

ICD

Concept Decision Meeting

Service/JROC Validation & Approval

KDP A

KDP B

Key PM Topic Areas for KDP Preparation (Details on back side of chart)

Mature Acquisition Strategy | 11-14) High Level Document Approvals | 2a-d) Program Description, Organization & Progress | 5) SEP | 2f-j) Detailed Budget Information | 7-8) Cost Drivers & Trades | 3) Exit/Entry Criteria Analysis/Review | 11-15) High-Level Document Approvals

2a-c) Program Description & Organization | 5) SEP | 2f-j-8-16) Prog Estimate/Executability & Cost Drivers | 1) MDA Approved Acquisition Strategy | 17) IMS | 4) Requirements & Architecture Summary | 16) Program Estimate, POM, CARD | 18) ADM/APB

4a-c) Requirements | 2d) Technologies/Studies Accomplished | 18) ADM | 10) Support Issues

9) Risk Management & Probability of Program Success Assessment

9) Detailed Risk Management & Probability of Program Success Assessment

Objectives:
- Develop & document a systems engineering process for developing pre-AoA materiel solutions
- Validate the process using a case study with a stated capability shortfall & document the results

Deliverables:
- Systems Engineering Plan specifically tailored for pre-AoA material concepts
- Characterization & technical data of the materiel solutions developed for the stated capability shortfall

Objectives:
- Plan and Conduct an AoA to determine preferred materiel solution
- Match User Requirements to available technology

Deliverables:
- Analysis of Alternatives Report
- KDP A required documentation

Exit Criteria Met | DSAI | MDA | ADM

Objectives:
- Mature Technologies to TRL 6
- Develop a firm, cost effective program baseline meeting user requirements

Deliverables:
- Approved System Specification and Function Baseline (Note: Key NSS 03-01 requirement that differs from DoD 5000)
- KDP B required documentation (see reverse side)
- Planning must allow time and schedule for iterative technology development - Maturing technology may not achieve SRR or SFR criteria on first attempt

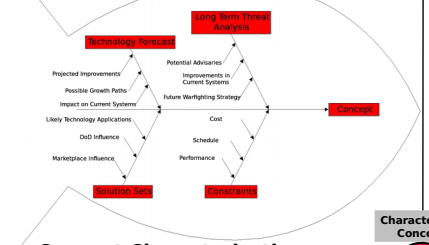
Service/JROC Validation & Approval | KPPs | CDD

ICD

Service/JROC Validation & Approval

Solution Identification

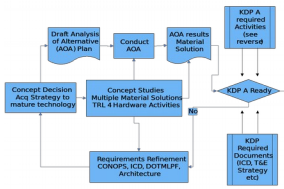
of options reduced from 1000 + Pre KDP A to final solution by KDP B



Key Activities

Flow Diagrams Describing Major Activities and their relationships

AOA

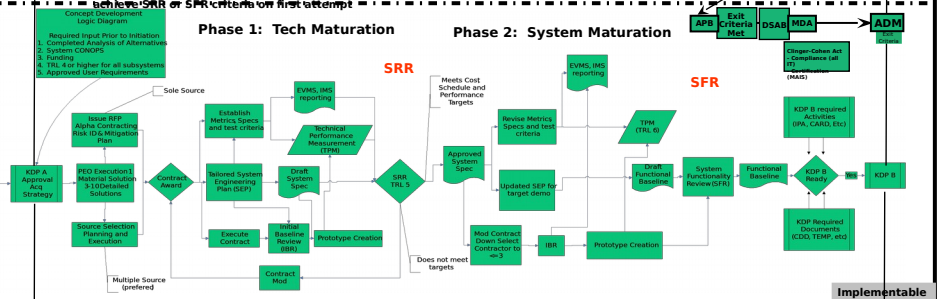


Phase 1: Tech Maturation

Phase 2: System Maturation

SRR

SFR

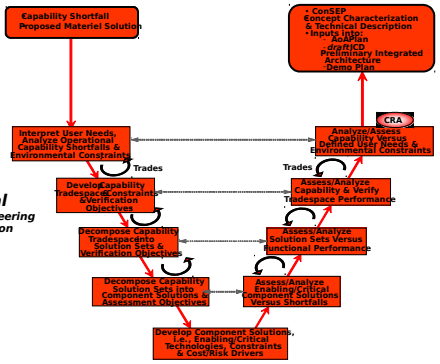


Characterized Concept

Preferred System Concept

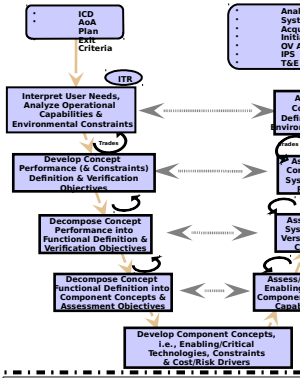
Implementable Prgm Baseline

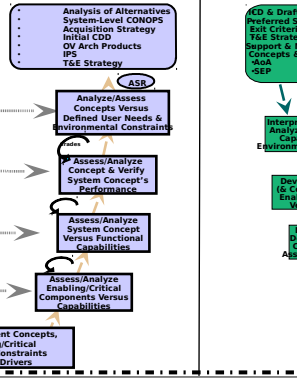
Concept Characterization



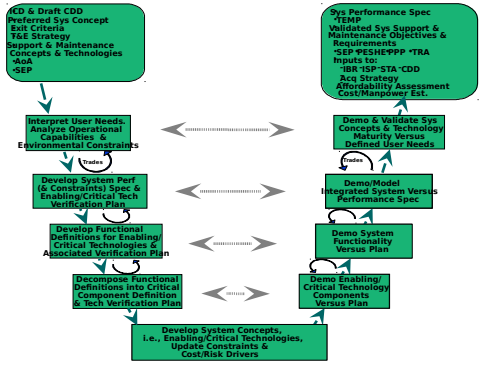
Technical

Systems Engineering Test & Evaluation Supportability





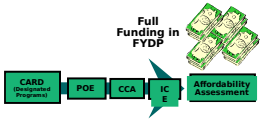
Tech Demonstrations & Prototypes



Key Management Considerations

- Program Structure
- Acquisition Approach
- Capability Needs
- Corrosion Prevention
- Data Management
- Life Cycle Sustainment
- T&E Considerations
- Risk Management
- Resource Management
- Systems Engineering
- Information Technology
- Interoperability
- Research & Tech Protection
- Information Assurance
- Product Support
- Human Systems Integration
- ESOH
- MOSA
- Business Considerations
- Best Practices
- Relief, Exemptions & Waivers

Full Funding in FYDP



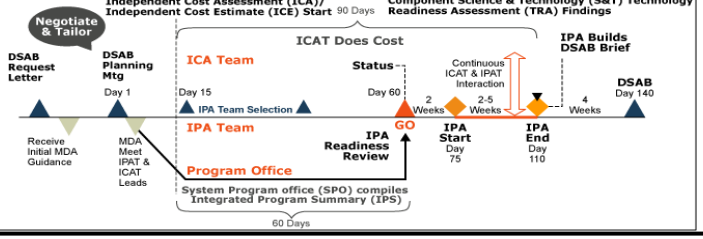
Oversight & Review Acronyms

ADM - Acquisition Decision Memorandum
AoA - Analysis of Alternatives
APB - Acquisition Program Baseline
CD - Concept Decision
DAB - Defense Acquisition Board
DSAB - Defense Space Acquisition Board
ESOH - Environment, Safety & Occupational Health
EVM - Earned Value Management
IBR - Integrated Baseline Review
ITAB - Information Technology Acquisition Board
MDA - Milestone Decision Authority
MOSA - Modular Open Systems Approach
PSR - Program Support Review
T&E - Test and Evaluation
TLCSM - Total Life Cycle Systems Management

Cost Acronyms

CARD - Cost Analysis Requirements Description
CCA - Component Cost Assessment
ICE - Independent Cost Estimate
POE - Program Office Estimate
PMO - Program Management Office
RDT&E - Research, Development, Test & Evaluation

DSAB and IPA Readiness Process



Technical & Logistics Acronyms

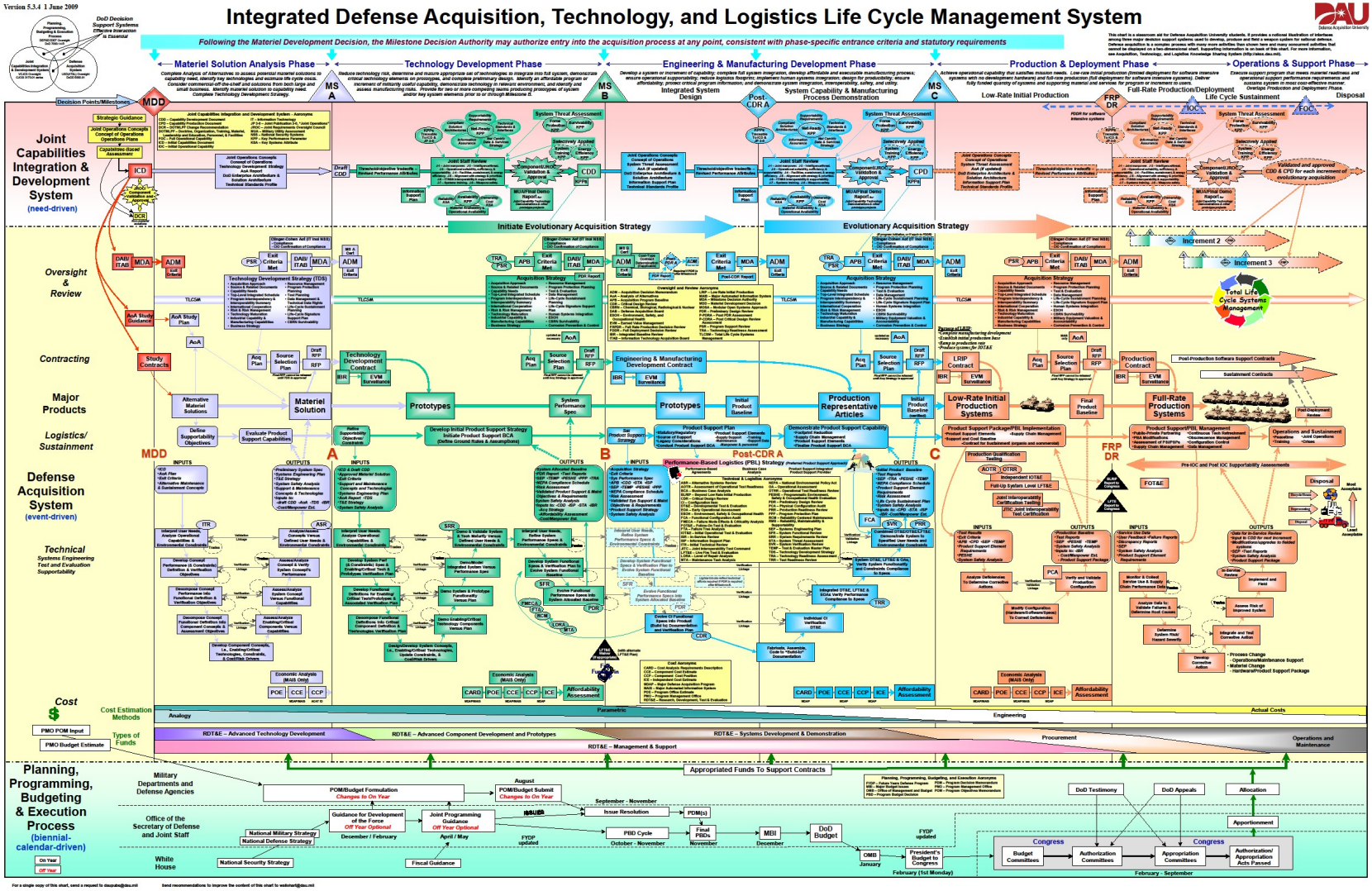
ASR - Alternative Systems Review
CDD - Capability Development Document
CI - Configuration Item
CRA - XXXXXXXX
DOTMLPF - Doctrine, Organization, Training Manpower, Leadership, Personnel and Facilities
DT&E - Developmental Test & Evaluation
ESOH - Environmental, Safety & Occupational Health
ICD - Initial Capabilities Document
IPA - Independent Program Assessment
IPS - Independent Program Summary
ISR - In-Service Review
ISP - Information Support Plan
ITR - Initial Technical Review
JROC - Joint Requirements Oversight Council
KDP - Key Decision Point
KPP - Key Performance Parameter
PESHE - Programmatic Environment, Safety & Occupation Health Evaluation
PPP - Program Protection Plan
RMS - Reliability, Maintainability & Supportability
SEP - Systems Engineering Plan
SFR - System Functional Review
SRR - System Requirements Review
STA - System Threat Assessment
SVR - System Verification Review
T&E - Test & Evaluation
TEMP - Test & Evaluation Master Plan
TDS - Technology Development Strategy
TRA - Technology Readiness Assessment

The Acquisition Warrior

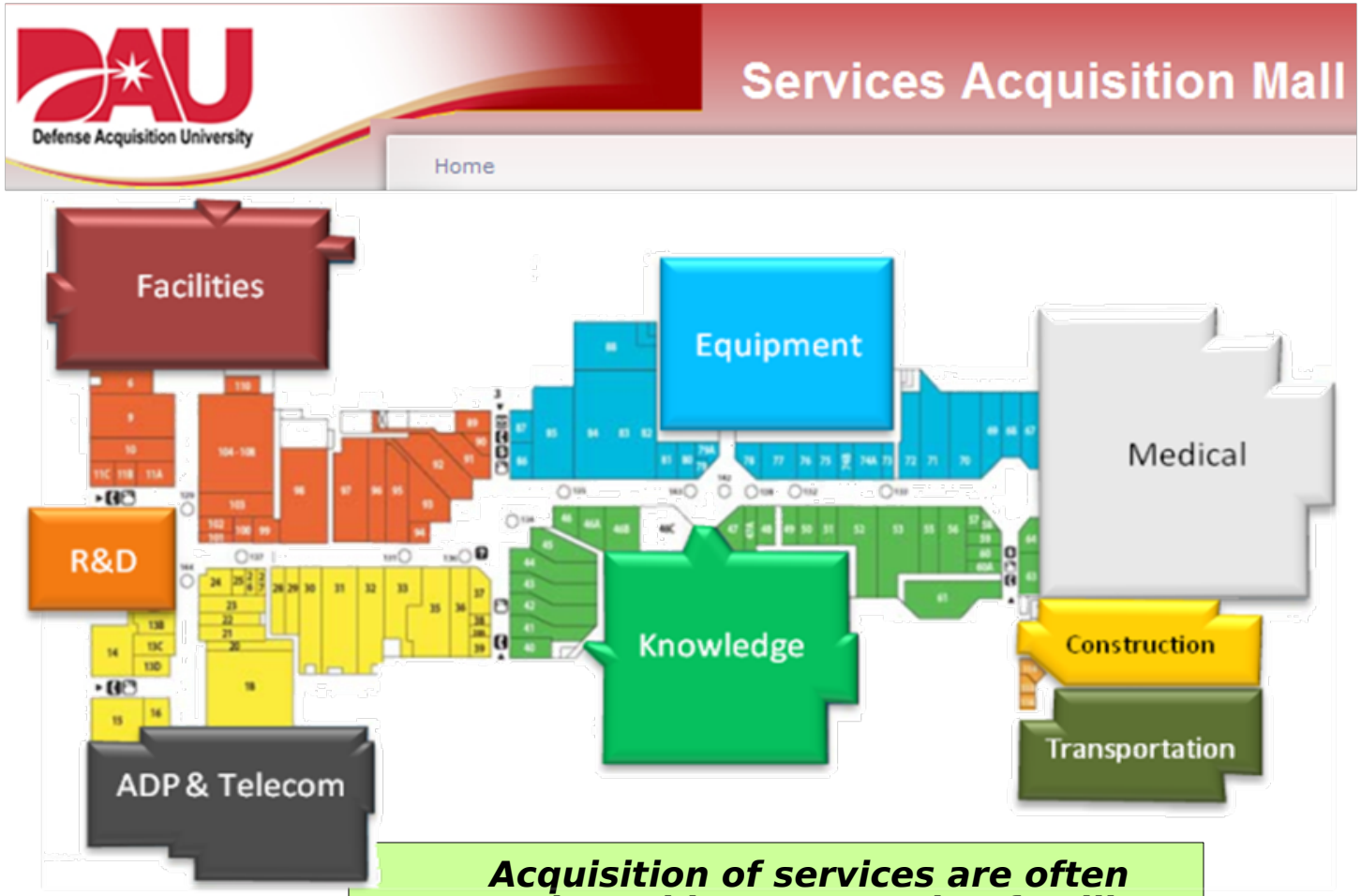
Commentary



Weapons Systems Acquisition Life Cycle



Acquisition of Services



Acquisition of services are often conducted by personnel unfamiliar with concepts of performance based acquisition

Established in January 2010

Acquisition and Program Management Knowledge Sharing Initiatives

Program Management CoP



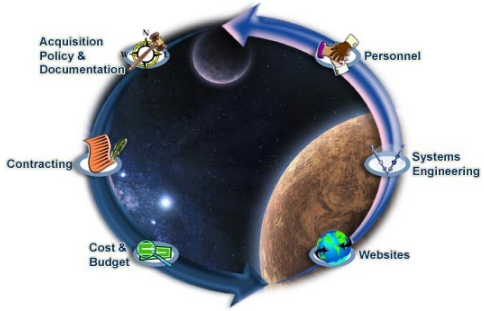
PM
- Lifetime page views 13,2063,618
- 1,480,088 page views FY10 to date
- 3,397 members
- Available 24/7

Risk CoP



Risk
- Lifetime page views 6,259,343
- 412,892 page views FY10 to date
- 535 members
- Available 24/7

Space CoP



Space
- Established January 21st, 2010
- Available 24/7

Lifetime page views reflect time period AUG 06 to present (1/13/10)

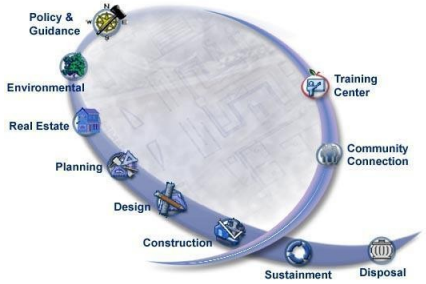
Acquisition and Program Management Knowledge Sharing Initiatives

Acquisition Law CoP



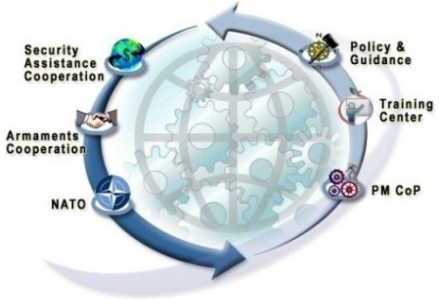
Acquisition Law
- Lifetime page views 391,252
- 85,295 page views FY10 to date
- 42 members
- Available 24/7

Facilities CoP



Facilities
- Lifetime page views 838,249
- 81,897page views FY10 to date
- 148 members
- Available 24/7

International PM CoP



International PM
- Lifetime page view 994,255
- 82,396 page views FY09 to date
- 109 members
- Available 24/7

Lifetime page views reflect time period AUG 06 to present (1/13/10)

Acquisition and Program Management Knowledge Sharing Initiatives

Program Managers e-Tool Kit



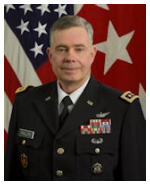
PM e-Tool Kit
- Lifetime page views 183,815
- 165,213 page views FY10 to date
- Available 24/7

Launched OCT 09

Directors, Acquisition Career Management (DACMs)

The DACMs assist in managing the accession, training, education, and career development of their respective components. There is a DACM representative for each of the military services as well as for the 4th Estate. The 4th Estate DACM represents civilians assigned to the DoD components outside the military services (e.g., the Defense Contract Management Agency, Defense Logistics Agency, Defense Information Systems Agency, etc.). The DACMs coordinate with DAU to the Defense Acquisition Workforce are

LTG William N. Phillips
Army DACM



Ms. René Thomas-Rizzo
Navy DACM



Mr. Patrick M. Hogan
Air Force DACM



Mr. Jeffrey Birch
4th Estate DACM



The Services Certify Members of Their Acquisition Workforce Based on Experience, Education, Assignments and Training